

Office of the Director  
of Central Intelligence



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DATE: 22 March 1974

TO: [REDACTED] Executive  
Assistant to the Deputy  
Director

SUBJECT: Aspects of the Situation in Chile

Attached is a copy of the final version  
of the memo for Secretary Shultz. It was  
delivered yesterday. General Walters'  
changes were incorporated and they were  
helpful.

[REDACTED]  
National Intelligence Officer/LA

(EXECUTIVE SECRETARY'S OFFICE)

C-7

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March 21, 1974

## MEMORANDUM

SUBJECT: Aspects of the Situation in Chile

The Situation in Brief

After six months in power the Chilean armed forces and national police appear more determined than ever to permanently restructure their nation's political, economic, and social systems before allowing a return to civilian rule. Junta President Pinochet says this will take at least five years.

Pinochet's emergence as the military government's leader in fact as well as in name probably is the single most important development of the junta's first half-year. Some personal, interservice, and policy disputes have surfaced within the government but they have not been serious enough to threaten its stability. Similar sources of friction undoubtedly will arise in the future without straining the regime's cohesion.

Supporters of the late President Allende have been unable to take much effective action against the new government. The left has not been destroyed, however. Efforts to reorganize and unite, both within Chile and abroad, continue. The regime probably is correct in its belief that incidents of anti-government violence will increase after university classes resume later this month. Security measures recently have been eased somewhat, but the armed forces and carabineros remain alert against such attacks and are capable of taking effective counter-measures.

The military's firm belief that its cause is "just" has begotten a self-righteousness that leaves little room for political dissent and only a limited opportunity for civilian counsel. This attitude has largely precluded support for the regime from the political parties and risks

alienating potentially supportive elements of the population. If unmodified, it eventually will create serious problems for the government and could cause the evaporation of the reservoir of popular goodwill toward the armed forces.

Economic policy is a key area of controversy within the regime. Some military men have taken issue with the government's team of civilian economic advisers, and there are real policy differences between the contending groups. The struggle over economic policy is an important front in the multifaceted maneuvering for influence and power.

The government has been the target of numerous charges related to alleged violations of human rights. Many of the accusations are merely politically inspired falsehoods or gross exaggerations--the junta has not been bloodthirsty. The government has given first priority to repressing perceived security threats, however, and respect for human rights has been a secondary consideration.

#### Stability of the Junta

An intention to rotate the presidency was implicit in statements made by the junta members in the period immediately following the coup. A one-year term reportedly was agreed on. Late last year, however, Pinochet apparently had to fend off a bid by Admiral Merino, the navy commander and a member of the junta, to advance the first rotation date to January 1. Pinochet soon thereafter made a series of statements on the presidency in which he appeared to be declaring that it would not rotate at all, and a recent report indicates that the junta now has a formal agreement to this effect.

In any case, Pinochet and the army clearly intend to retain their positions of dominance in the government. The army looks upon itself as the armed forces' premier service and army officers consider permanent army control of the junta presidency to be both natural and proper. The other services, including the carabineros, will continue to seek to increase their influence on government policy, but they are unlikely to challenge the army's claim to "first among equals" status or to force a showdown over the junta presidency.

Pinochet has had disagreements with a number of generals. One important general recently was eased into retirement following a series of personal and policy disputes with the

junta president. Some senior officers who were most active in the plotting against Allende look upon Pinochet as a late-comer to that effort and probably feel that others are more deserving of the presidency. Pinochet appears determined to prevent the emergence from within the military of potential rivals for power. His position now is firmly enough established for him to deal forcefully with disgruntled officers, and further changes in the high command and cabinet shifts probably will take place. The fact that Pinochet left Chile to attend Brazilian President Geisel's inauguration is an indication of the growing strength of Pinochet's position.

Opposition groups still are attempting to rebuild their organizations, form an effective alliance, and take action against the junta, but the government's strict security measures have severely retarded this effort within Chile. Despite foreign assistance from Soviet, Cuban, and other sources, parallel efforts in Moscow, Havana, Paris, Rome, and elsewhere are being hampered by long-standing tactical and ideological differences among the various leftist groups. Nevertheless, the government is concerned over the fact that the left retains the wherewithal to harass through guerrilla or terrorist attacks. The opposition's ability to mobilize the masses and provoke strikes remains more questionable. Much will depend on whether Chilean workers can be convinced that the sacrifices they are making now really will pay off with a better life in the not too distant future.

It appears that Pinochet's tenure in office will last as long as he can avoid a serious falling-out among the services and retain the confidence of the bulk of the army. Concern over possible leftist opposition and Peruvian revanchism will help Pinochet keep personal, inter-service, and policy disputes within manageable proportions, and he seems likely to retain his position indefinitely. There is still a danger that the armed forces' determination to reconstruct Chile its own way will alienate potentially supportive segments of the population. The enforced "recess" of the non-Marxist political parties, for example, is seriously straining the government's relations with the Christian Democratic Party. The military has its own ideas about building a base of civilian support, however, and they do not include working closely with any organized political group.

## Differences Over Economic Policy

The government's implementation of an economic recovery program prepared by a group of University of Chicago-trained technocrats has disturbed some military men. A number of flag-rank officers [REDACTED] have expressed concern that the program's adverse impact on the poorer sectors of Chilean society will negate efforts to secure at least the passive acquiescence of those who supported the Allende government. The junta's policy Advisory Committee, which is run by Colonel Julio Canessa, has become the focal point of military dissent from the programs advocated by the junta's team of civilian economic advisers.

The Advisory Committee is wary of the civilians' orthodox macroeconomic approach and has surmised that certain aspects of the recovery program are geared to benefit special interest groups rather than the nation as a whole. The committee fears that instead of stimulating output steeply higher prices could restrict demand to the point of inhibiting production. It advocates a short-term softening of the recovery program to avoid aggravating opposition to the junta among lower income groups. The Advisory Committee's desire to give political and social factors more weight reflects the fact that segments of the Chilean armed forces and national police are attracted to a populist/statist approach to government and are not happy with the free enterprise orientation of the civilian advisory team.

The difference in outlook recently became apparent when the government discussed the return of the textile industry to private ownership. The Canessa committee's proposals for state-worker control with limited owner participation were rejected and the eventual outcome was a victory for the civilian advisers. The government felt it necessary to issue a statement detailing the terms for the return, however, to dispel any notion that private firms seized under Allende were being returned to their owners unconditionally. Conditions for such returns include a pledge by the owners to abide by a yet to be issued regulation on a labor-management relations.

The struggle between the civilian economic team and the military Advisory Committee has not been definitively resolved. Pinochet seems to be somewhat disenchanted with the results of the recovery program, but the ultimate source

of a report of a falling out between Pinochet and principal civilian economic adviser Raul Saez was [REDACTED]

[REDACTED] The military's inclination to seek counsel within its own ranks is a plus for the Advisory Committee. The civilian economic advisers' influence will almost certainly be reduced if Pinochet follows through on reported plans to integrate them into Canessa's group.

On the other hand, the economic portion of the statement of goals issued by the junta after six months in power reinforces the government's policy of reliance on free market forces. Pinochet has expressed sympathy with the lower income groups bearing the brunt of the economic recovery program and promised that this generation of workers will "reap the fruits of their sacrifices", but he also has stressed that further privations lie ahead.

The ongoing debate over economic policy is part of maneuvering for power and influence in which personal, ideological, policy, and inter-service factors are sometimes indistinguishable. It may thus be difficult to discern who has won the contest, if and when the issue is decided. Over the next several months the economic program probably will continue to reflect the input of both groups, with the junta listening to the proposals they put forth on a given topic and making an ad hoc decision depending on the merits of the case. Time appears to be on the side of the Canessa committee, however, and eventual modification of the emphasis on free enterprise is likely.

#### Alleged Violations of Human Rights

Many of the accusations regarding the military government's lack of respect for human rights are traceable to a world-wide Communist-orchestrated campaign to discredit the junta. Some of these claims are simply false, others are exaggerations or distortions of reality. On the other hand, junta President Pinochet's blanket assertion that "human rights have not been violated in Chile" overstates the junta's case.

The armed forces and police expected leftist paramilitary brigades to offer significant resistance to the coup, but widespread opposition failed to materialize. As a result, more force than turned out to be absolutely necessary was used to carry out and secure the coup and civilian

casualties probably totaled about 2,000. In the hectic weeks immediately following the takeover some commanders in the provinces appeared to be acting independently of central authority and more than a hundred prisoners were shot and killed while "trying to escape". In addition, about 170 persons have been executed since the coup. At present there are over 5,000 political prisoners, including about 40 well-known detainees on Dawson Island in the remote Straits of Magellan.

The regime has regularized its security procedures and now claims that arrests, detentions, trials, and executions are being properly carried out under constitutional and statutory provisions for a state of siege. A National Executive Secretariat for Detainees was established in January and was charged, among other things, with protecting the rights of prisoners and their families. Security forces have been ordered to conform to the standards of the Geneva Conventions in their treatment of persons arrested on political or national security grounds. Representatives of international organizations concerned with human rights have been allowed to visit Dawson Island and other detention centers. Thus, in contrast to the confusion and emotion of the first weeks after the coup the government now is committed to an official policy of stern, but correct, treatment of detainees.

Whether this policy is being strictly followed in the field is less certain. There does appear to be some abuse by units engaged in active military or intelligence operations. One intelligence organization has been criticized by military officers for the crudeness of its techniques. Pinochet has forbidden summary executions and the use of torture in prisoner interrogations, but some officers apparently have decided to ignore the order. Many officers do not regard techniques of physical coercion or mental pressure to be "torture" so long as they cause no permanent damage and are not apparent to the casual observer. Thus, it seems likely that the type of strong-arm methods employed by many of the world's police and security forces will continue to be practiced in Chile.

The junta has a generally good record on the granting of safe-conduct passes to those seeking political asylum. Thousands of Chileans and foreigners who took refuge in various embassies in Santiago have been allowed to leave the country. The number of "deferred" requests for safe conducts has been shrinking steadily and now is less than two hundred. Many of those remaining in the

embassies are officials of the Allende regime or leftist notables against whom the government is preparing formal charges and extradition requests.

4. Court martials of military officers suspected of collaboration with the left have begun and some civilians also are being tried. Trials for high-ranking Allende regime officials and the other most prominent leftist prisoners do not appear to be imminent, however. The government says that it is still investigating the cases of these leftist luminaries in order to determine what, if any, charges will be brought them. There is no evidence of a sense of urgency in this matter. Important jurisdictional and procedural issues remain unresolved. A key question is which tribunals, civilian or military, will have jurisdiction over crimes committed prior to the coup.